

Message Text

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11/10

ACTION NEA-12

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C O R R E C T E D C O P Y F O R T E X T

KUWAIT PASS DOHA

EO 11652: NA (DECON UPON RECEIPT)

TAGS: BEXP, QA

SUBJ: SALE OF TRUCKS TO GOVT OF QATAR

REF: A. LONDON 1779

B. LONDON 1739

C. ABU DHABI 122

SUMMARY

CHRYSLER INTL LOCAL REP HAS CONFIRMED THAT QATAR DEFENSE FORCE (QDF) WISHES BUY 400 MIL SPEC VEHICLES. ENTIRE ORDER WOULD BE WORTH DOLS FOUR MILL. QDF COMMANDER SHAIKH HAMAD WHO REPORTEDLY FAVORS FARGO-MODEL TRUCKS, DISAPPOINTED WITH INITIAL CHRYSLER OFFER, BUT HAS AGREED DELAY AWARD OF TRUCK CONTRACT UNTIL ABOUT MARCH 4 TO ALLOW US COMPANY TO SUBMIT MORE RESPONSIVE BID. SPECIFICALLY, SHAIKH HAMAD HAS REQUESTED DELIVERY OF THREE DEMONSTRATION VEHICLES TO QATAR BY MAY 1, AND IS INSISTING THAT ALL VEHICLES BE EQUIPPED WITH LARGE SAND TIRES.

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ACTION REQUESTED: DEPT/USDOC CONTACT SENIOR CHRYSLER EXPORT

OFFICIAL SOONEST TO URGE COMPANY CONSIDER SUBMITTING MORE RESPONSIVE OFFER TO GOQ BEFORE MARCH 4 DEADLINE IN ORDER PREVENT THIS SIZABLE EXPORT ORDER BEING AWAR D TO FOREIGN COMPETITOR, PROBABLY FRENCH FIRM.

1. UPON HIS RETURN FROM QATAR WHERE HE MET WITH KEY AIDE OF QDF, COMMANDER SHAYKH HAMAD BIN KHALIFA AND OTHER GOQ OFFICIALS RE TRUCK ORDER, LOCAL CHRYSLER REP ERWIN BRIEFED EMB ON CHRYSLER RESPONSE TO TENDER OFFER AND QATARI REACTION THERETO.

2. ERWIN CONFIRMED THAT GOQ INTENDS BUY 400 MIL SPEC VEHICLES FOR ITS ARMY. ENTIRE ORDER WORTH DOLS FOUR MILL. ACCORDING ERWIN, SHAIKH HAMAD PERSONALLY FAVORS CHRYSLER FARGO VEHICLES, BUT HE INSISTS THAT ANY VEHICLES ORDERED FOR QDF BE EQUIPPED WITH SAND TIRES AND THAT DEMONSTRATION MODELS BE SENT SOONEST FOR INSPECTION AND TESTING. THROUGH LONDON OFFICE OF CHRYSLER INT'L BEST COMPANY COULD OFFER WAS SIX MONTHS DELIVERY TIME FOR DEMONSTRATION MODEL OF W-300 AND NINE MONTHS FOR ONE EACH W-600 AND C-800 DEMONSTRATION MODELS. SHAIKH HAMAD REPORTEDLY DIS-APPOINTED WITH RESPONSE AND HAS ASKED COMPANY MAKE EVERY EFFORT TO HAVE DEMO VEHICLES DELIVERED BY MAY 1. ERWIN ALSO SAID CHRYSLER UNABLE PROVIDE GOQ WITH ANY TIME TABLE WHATSOEVER FOR DELIVERY OF FULL VEHICLE ORDER (THIS PERHAPS UNDERSTANDABLE IF PLACING OF MAIN ORDER DEPENDENT ON SUCCESSFUL DEMONSTRATION TESTS).

3. WE UNDERSTAND EQUIPPING OF VEHICLES WITH SAND TIRES REMAINS BIGGEST PROBLEM. CHRYSLER INFORMED ERWIN THAT FACTORY UNABLE PROVIDE LARGE SIZE SAND TIRES DESIRED BY CUSTOMER AS SUCH TIRES COULD NOT BE FITTED PROPERLY ONTO TRUCKS. TRANSPORTATION OFFICERS QDF DISPUTE THIS JUDGEMENT HOWEVER, NOTING THAT WITH SOME MODIFICATION (WHICH DEF FORCE HAS TO PERFORM ON PRACTICALLY ALL ITS VEHICLES), LARGE SAND TIRES CAN BE MOUNTED. GOQ HAS ADVISED THAT IT PREPARED ACCEPT EXTRA COSTS FOR REQUIRED MODIFICATION, WHICH ESSENTIALLY INVOLVES REMOVING SECTION OF FRONT AND REAR MUD GUARDS, INSTALLING LARGER WHEEL BASE, AND ADJUSTMENT OF STEERING LOCK.

4. SHAIKH HAMAD HAS AGREED DELAY AWARD OF TRUCK CONTRACT FOR ADDITONAL 20 DAYS (I.E. UNTIL MARCH 4) TO ALLOW CHRYSLER LIMITED OFFICIAL USE

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TO SUBMIT MORE RESPONSIVE OFFER. FOLL ARE TIRE SIZES REQUIRED BY GOQ FOR EACH KIND OF VEHICLE AND STANDARD SIZE OFFERED BY CHRYSLER.

TYPE OF VEHICLE	TIRE SIZE OFFERED	MINIMUM REQUIRED	PREFERRED SIZE
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W-300	1100/1600	1300/1600	1600/1600
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W-600	900/1600	1400/2000	1600/2000
C-800	1100/1600	1400/2000	1600/2000

(FOR W-600 AND C-800 TWIN REAR TIRES OFFERED; SINGLE REAR TIRES REQUIRED)

5. A. WOULD APPRECIATE DEPT/USDOC CONTACTING CHRYSLER OFFICIAL IN DETROIT RESPONSIBLE FOR EXPORT TO ME SOONEST TO STRESS IMPORTANCE USG ATTACHES TO THIS SALE IN SUPPORT OUR COMML EFFORTS IN QATAR WHERE MARKET CONTINUES TO BE DOMINATED BY UK AND JAPAN. MOREOVER AS NOTED REFTTEL, WE BELIEVE LARGE ORDER FOR US MILL VEHICLES PLACED BY GOQ COULD HAVE VERY BENEFICIAL EFFECT IN NEIGHBORING UAE, WHOSE VARIOUS DEFENSE FORCES ARE EXPANDING RAPIDLY AND THEREFORE, MAY SOON BE IN THE MARKET FOR ADDITIONAL WHEELED TRANSPORT.

B. DEPT REQUESTED ASCERTAIN IF CHRYSLER CAN SUBMIT IMPROVED OFFER TO GOQ BEFORE DEADLINE. SPECIFICALLY, PLS URGE COMPANY TO:
(1) EXPEDITE DELIVERY OF DEMONSTRATION VEHICLES IF AT ALL POSSIBLE; (2) ACCOMODATE CUSTOMERS WISH RE EQUIPPING VEHICLES WITH LARGE SIZE SAND TIRES NEEDED IN THIS DESERT ENVIRONMENT. UNDERSTAND ADDITIONAL DETAILS AND PHOTOS SUPPORTING TIRE REQUEST FORWARDED BY ERWIN TO GUY CHRISTMAS OF CHRYSLER'S LONDON OFFICE.

6. COMMENT: A. IN VIEW REPORTED PREFERENCE OF SHAIKH HAMAD WHO SON OF QATARI RULER, FOR FARGO LINE OF TRUCKS, THIS IS GOLDEN EXPORT OPPORTUNITY, IN OUR OPINION, THAT US COMPANY WOULD BE ILL-ADVISED NOT TO EXPLOIT FULLY EVEN IF IT MEANS SO
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